

FOREWORD

These claiming instructions are issued to help school districts (SD) and county superintendents of schools (CSOS) prepare paper and/or electronic claims for submission to the State Controller's Office (SCO). These instructions are based upon SCO's interpretation of the State of California statutes, regulations, and the parameters and guidelines (P's & G's) adopted by the Commission on State Mandates (CSM). Since each mandate is administered separately, it is important to refer to the P's and G's for each program for information relating to established policies, procedures, and eligible reimbursable costs. Some of the key issues in this manual, statutory changes effective January 31, 2008, and updated information on the SCO's adopted Time Study Guidelines are highlighted below:

Electronic Filing and Email Distribution Lists

Mandated cost claims can be filed on paper as they have been in the past or filed electronically using the Local Government e-Claims (LGeC) system. The LGeC system provides an easy and straightforward approach to the claiming process.

In order to use the LGeC system you must obtain a user ID and password for each person who will access the LGeC system.

To obtain a User ID and password you must file an application obtained from the LGeC website. Complete the application and mail it to the SCO at the address specified in the application instructions. The SCO will process the application, contact each applicant, and issue a user id and password.

In addition, you may want to subscribe to an email distribution list to automatically receive timely, comprehensive information regarding Mandated Cost claim receipts, payments, test claims, guidelines, electronic claims, and other news and updates.

You can find more information about LGeC and the email distribution lists in Section 2 Electronic Filing: Local Government e-Claims (LGeC) in this manual and at the LGeC website located at <http://www.sco/ard/local/lgec/index.shtml>. This website provides access to the LGeC system, an application to obtain user id's and passwords, an instructional guide, FAQ's and additional help files.

Charter Schools

The CSM adopted the Charter School III statement of decision on May 25, 2006. The CSM stated that "a ...charter school is voluntarily participating in the charter program at issue" and that a charter school is not a school district under GC 17519 and therefore is not eligible to claim reimbursement under GC Section 17560. This means charter school costs are not reimbursable either directly or through a third party (i.e., a school district or superintendent of schools).

Indirect Cost Rates

School districts and county superintendents of schools may use the indirect cost rates approved by the California Department of Education based on J-380/580/780/SACS Expenditure Data whichever is applicable to the fiscal year of the claim. Since this

information is readily available online, there is no need to file supporting documentation for indirect costs with mandated cost claims. Additional information regarding indirect cost rates is located in *Section 9: Indirect Costs*, of this manual.

Supporting Documentation

Actual costs must also be supported with sufficient documentation; however, this documentation is no longer required to be submitted with the claim. Instead, those records must be kept on hand and made available to the SCO upon request. Additional information is located in *Section 17: Retention of Claim Records and Supporting Documentation* of this manual.

Statutory Changes

The following are important provisions of statutory changes effective January 1, 2008, and updated information on SCO's adopted Time Study Guidelines.

AB X3 8, Statutes of 2008

1. Pursuant to GC 17560, the deadline for filing ongoing mandated cost claims has been extended to February 15th of the year following the fiscal year the costs were incurred. The deadline for filing initial reimbursement claims has not changed and remains at 120 days from the date the SCO issues claiming instructions for each program.

Initial reimbursement claims filed after the deadline, but within one year of the deadline, will be reduced by a late penalty of 10% with no limitation. Initial claims filed more than one year after the deadline cannot be accepted for reimbursement.

Annual reimbursement claims for the 2007-08 fiscal year, must be filed by February 15th of the year following the fiscal year the costs were incurred, to avoid a late penalty. If the filing deadline falls on a weekend or holiday, the deadline is extended to the next business day. Since February 15, 2009, falls on a weekend, and the following Monday is a holiday, annual reimbursement claims will be accepted without a penalty if postmarked or delivered on or before Tuesday, February 17, 2009.

Annual reimbursement claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$10,000.

Amended annual claims filed after the filing deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the entire claim, while amended initial reimbursement claims filed after the deadline will be reduced by 10% without limitation.

Claims filed more than one year after the deadline cannot be accepted for reimbursement.

Additional information regarding filing deadlines and late penalties is located in *Section 5, Filing Deadline for Claims* in this manual.

2. Pursuant to GC Section 17561 (d), the Controller will pay any eligible claim by August 15 or 45 days after the date the appropriation for the claim is effective, whichever is later.
3. Pursuant to AB 8, Chapter 6, Statutes of 2008, the option to file estimated claims has been eliminated. Therefore, estimated claims filed on or after February 16, 2008, will not be accepted by SCO.

Time Study Guidelines

SCO has amended the Time Study Guidelines to expand the application of time study results. The results may be projected forward a maximum of two years or applied retroactively to initial claims, current year claims, and late filed claims, provided certain criteria are met. The amended Time Study Guidelines are included in Section 9 of this manual,

If you have any questions concerning the enclosed material, write to the address below or call the Local Reimbursements Section at (916) 324-5729, or by email to lrstdar@sco.ca.gov.

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